GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1451
ANSWERED ON:08.12.2015
Corporate Social Responsibility of PSUs
Kaswan Shri Rahul

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether some Public Sector Undertakings (PSUs) are not fulfilling their social responsibilities/ obligations under Corporate Social Responsibility (CSR);

(b) if so, the details thereof during the last three years and the current year, State-wise; and

(c) the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a) & (b): Department of Public Enterprises (DPE) is the nodal Department for Central Public Sector Enterprises (CPSEs) but it does not have any CPSE under its direct administrative control. CPSEs are administered by various Ministries/ Departments of Govt. of India.

Under the Companies Act, 2013, CPSEs are required now to furnish in their audited Annual Report containing details of activities / projects undertaken under CSR and funds allocated / utilized in the Proforma prescribed in Companies (CSR Policy) Rules, 2014 notified by M/o Corporate Affairs. State-wise information with regard to CSR activities, social responsibilities/ obligations undertaken by CPSEs during last three years and the current year is not centrally maintained in DPE.

(c): As per 2nd proviso to Section 135 (5), if a company fails to spend CSR funds, the Board shall in its report specify the reasons for not spending the amount.

Further, Section 134 (8) of the Companies Act, 2013, states that if the details given in any return, report, financial statement made with regard to policy developed and implemented by the company on Corporate Social Responsibility initiative taken during the year, which contravenes the provisions of the Act, the company and every officer of the company who is in default shall be liable for fine, imprisonment or both.

Besides this, as per Section 448 of the Act, for any statement made in any return, report by any person which is false or omits any material fact for the purposes of any of the provisions of the Act or the rules made thereunder shall be liable for penalty provided in the Section 447 of the Act.
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